GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:412
ANSWERED ON:24.04.2000
POWER PROJECTS BY PRIVATE AND FOREIGN COMPANIES
T. GOVINDAN

Will the Minister of POWER be pleased to state:

(a) the details of private/foreign companies which had shown interest to set up Power Projects in the country and later withdrawn due to delay in finalising the approval during the last three years; and

(b) the steps being taken to simplify the procedures to attract more companies in the power sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : A Statement is laid on the Table of the House.

STATEMENT
STATEMENT REFERRED TO IN REPLY TO PARTS (a) AND (b) OF STARRED QUESTION NO.412 TO BE ANSWERED IN THE LOK SABHA ON 24.4.2000 REGARDING POWER PROJECTS BY PRIVATE AND FOREIGN COMPANIES.

(a) : As per the information available in the Ministry of Power, during the last three years only one private foreign company, viz. M/s Cogentrix Energy Inc, who were one of the main promoters of the Mangalore Power Company (MPC), have informed that with effect from February 11, 2000, the Company have withdrawn from and transferred their interests in the 1000 MW Mangalore Power Project and the MPC to ChinaLight (Mauritius Ltd.), who are equity partners in the MPC. M/s Cogentrix have stated that they have no further interest in the project or in the company. No reasons for such decision have been conveyed by the company.

(b) : Some of the steps taken by the Government for simplifying and decentralising the procedure for clearance of private power projects and to attract more companies in the power sector, inter alia, include :-

- minimising the number of clearances required to be obtained for the purpose of appraisal of the private power projects by Central Electricity Authority (CEA),

- minimising the role of the Foreign Investment Promotion Board by providing for automatic approval for foreign equity in selected categories and enlarging the provisions for automatic approval for such projects. Accordingly, projects for electric generation, transmission and distribution will be permitted foreign equity participation upto 100% on the automatic approval route provided the foreign equity in any such project does not exceed Rs.1500 crore,

- delegating more powers for environmental clearance to State Governments,

- raising the limits for power projects which require the clearance from CEA,

- preparation of a shelf of projects to facilitate early execution and reduction of time required for preparation,

- close monitoring at various levels to expedite clearances, remove bottlenecks and to resolve the `last mile` problems

in achieving financial closure,

- the Electricity Regulatory Commissions Act, 1998 has been enacted which enabled setting up of the Central Electricity Regulatory Commission and the State Electricity Regulatory Commissions. Eleven States have set up Regulatory Commissions and three States have notified the Commissions.